

ACHIEVING RAPID PROJECT EXECUTION IN CHINA'S PHARMACEUTICAL INDUSTRY: INSIDER'S INSIGHTS

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WHY WE NEED TO BE FAST



Client's Demand

Multiple reasons for our clients to be faster and faster. Only one reason for Engineering/Service provider.

- New products launch in a limit of time.
- Increase in demand caused by drastic market changes.
- Capital driven for progress in fund utilization and rapid construction.
- Breakthrough from R&D, need to be commercialized ASAP.
- Government pressures on companies to complete project construction within specified time frames to meet government performance indicators.



Project turnover in a short period of time.





Equipment procurement brings extra profit.

HIGH PROFIT MARGINS



LOW MARKET COMPETITION

Not much of competitors can do this kind of work

TYPICAL PHARMACEUTICAL PROJECT EXECUTION TIME IN CHINA

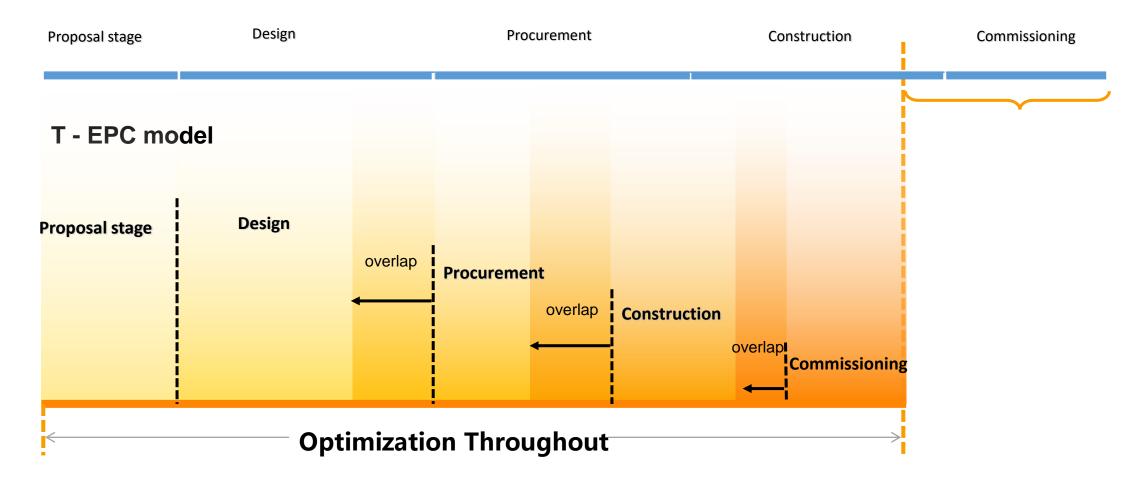


Phase	Duration	Content	Note
DESIGN	6±2 months	SMP/Layout Development/DD Very low added value as designer/Translate client's thoughts into drawing	Design costs account for 2% Overall Investment
CIVIL CONSTRUCTION	6 ±2months	Building & Site	24/7 Construction
MEP & INSTALLATION	9 ±2months	Including SAT & Supporting documents for Q/V	
Several Bidding Packages for Different Supplier		Right Bid-Pack for Right Supplier/Don't Trust EPC Model	
Fast execution when decided		Land/Building ready in a short time/loose government control	
lack of planning and not enough time for a good design		Contractor making DD or modify DD on site/ Lack of change management/Long settlement cycle	

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HOW TO EXECUTE RAPID PHARMACEUTICAL PROJECTS IN CHINA





WHAT YOU NEED BEFORE CONTRACT SIGNING



Process Experts

Talents who understand the process and are capable of assisting client in optimizing it

Own Inhouse Design Team

Design is always the most critical factor to help you gain EPC projects.

Pre-Invest

- 70%-80% Design finished before LOI.
- Contract negotiation completed with equipment suppliers .

Integrated Engineering Team

Build a strong engineering team integrate Design/Civil Construction Management/MEP & Installation/Automation(process and utilities)/Waste Treatment. Reduce outside parties to reduce risk. Takes more efforts to coordinate outside parties and you cannot really control if you don't own the team.

Reasonable Investment Budget

Work with client together to make a reasonable investment estimation as the contract basis. A stable payment flow ensures the smooth and efficient progress of the project.



HOW TO EXECUTE RAPID PHARMACEUTICAL PROJECTS IN CHINA



On-site design

All the designers are available on-site to update and modify drawings 24/7. BIM modeling guides construction(BIM modeling engineer works on site to maintain building model 24/7 and to ensure construction accuracy.

Cross working matrix

Everyone is part of the project, working together in one office. Break departments and teams' restrictions/segregations. Achieve targets with lowest coordination costs.

Risk Management

Equipment Delivery Risk (Supervision of equipment manufacturing/Alternative solution / process optimization) Equipment supplier is most of time the 3rd party, must be well managed.

Process Change Risk(Keep helping client to overcome challenges by non-stop optimization)

Flexible Coordination

Rational overall planning for construction time and space. Overlap arrangements for works in different phases and parallel arrangements for works in different space. Maximize the use of time and space opportunities.



















